

Message Text

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43

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 FAA-00 L-03 /032 W

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R 031727Z JUN 75

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 6609

IINFO RUDTC/AMEMBASSY LONDON 1093

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E.O. 11652: N/A

TAGS: EAIR, CA

SUBJECT: CIVAIR: AIRLINE COMMISSION RATE DISPUTE

REF: STATE 120937

1. US-UK STATEMENT GIVEN TO AIR TRANSPORT COMMITTEE (ATC) CHAIRMAN THOMPSON AND TO OTHER GOC AVIATION OFFICIALS MAY 27. THOMPSON ADVISED TCO JUNE 2 THAT CANADIAN CARRIERS HOPE TO MAKE EFFECTIVE CURRENT IATA THINKING TO LIMIT TRAVEL AGENT COMMISSIONS TO NEW LEVEL OF SEVEN AND ONE HALF PERCENT. HE INDICATED AGREEMENT WITH THIS APPROACH AND STATED THAT IN VIEW OF THE FINANCIAL DIFFICULTIES OF THE CARRIERS AT THE PRESENT TIME IT WAS VERY IMPORTANT TO HOLD THE LINE ON COMMISSIONS.

2. COMMENT: ATC STAFF MEMBER, WITH WHOM ISSUE WAS ALSO DISCUSSED, SAID THAT TRAVEL AGENT COMMISSIONS HAVE NOT HISTORICALLY BEEN OF CONCERN TO GOC AS THESE WERE FELT TO BE COMPLETELY WITHIN THE MANAGERIAL PREROGATIVES OF THE CARRIERS. HOWEVER, HE THINKS THAT THE ATC WILL START TAKING AN ACTIVE INTEREST IN THE QUESTION-- UNDER THE PRODDING OF CHAIRMAN THOMPSON-- PARTICULARLY IF FURTHER DISCUSSIONS IN IATA LEAD TO AUTHORIZATION OF A COMMISSION IN EXCESS OF THE SEVEN AND ONE HALF PERCENT LEVEL. THIS

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WOULD NOT BE ACCEPTABLE TO THE ATC, HE FELT, IN VIEW

OF ITS EFFECTS ON AIRLINE COSTS AND ULTIMATELY ON
FARES.
PORTER

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Message Attributes

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